Chapter 9
New Approaches for Managing Tourism Complexity: Implications and Insights

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ABSTRACT
This chapter’s main objective is to provide a new conceptualization of the tourism which has major implications for management approaches, business models and strategy techniques of the sector. The objective is to try to reconcile the complexity of the environment with the managerial techniques and strategies that aim to create sustainable competitive advantage. The author will begin with a review of tourism characteristics of supply and demand side. Then they will analyze the paradigm shifts that are taking place overall in the new economy and the main challenges they bring on in the tourism context. Subsequently, they will discuss the need to realize a shift in tourism conceptualization and management in itself. The author will move their focus of analysis away from traditional, mechanical views of tourism to dynamic approaches that take into account the behavior of the overall system and help identify key leverage points of change and transformation.

INTRODUCTION
It is already known that innovativeness and sustainability of tourism sector is highly related with the economic progress and growth of localities and regions and affects social, cultural and economic life. It is one of the economic’ sectors that contribute for a large part of employment, balance payments, GDP growth, capital investment (in direct and indirect sectors).

Therefore, approaching tourism in a systemic and strategic way will be of particular relevance for many social aspects and for the innovativeness of different sectors. But, despite its pivotal role in economic activities, only recently tourism research has been considered worthy of serious research endeavor and academic study (Cooper et al, 1998). From the early 1800s when the word ‘tourist’ first appeared, significant contributions have been...
done in literature about tourism management, tourism planning and organization. However, many authors acknowledge that tourism studies and theories lack behind the developments and progresses done in other disciplines (Hall, 2000; Hall and Butler, 1995). In general there is a trend to not focus much research in the tourism sector, and very few contributions have been done to study tourism in the light of new strategic approaches. Besides, traditional approaches seem to subsist yet in tourism literature. While, the extant literature on strategic management witness as outdated the traditional, mechanical approaches to explain and to handle the dynamicity, the complexities and the unpredictability’s of the new environment.

In the light of these assertions, this chapter’s main objective is to provide a new conceptualization of the tourism which has major implications for management approaches, business models and strategy techniques of the sector. The objective is to try to reconcile the complexity of the environment with the managerial techniques and strategies that aim to create sustainable competitive advantage. We will begin with a review of tourism characteristics of supply and demand side. Then we will analyze the paradigm shifts that are taking place overall in the new economy and the main challenges they bring on in the tourism context. Subsequently, we will discuss the need to realize a shift in tourism conceptualization and management in itself. We will move our focus of analysis away from traditional, mechanical views of tourism to dynamic approaches that take into account the behavior of the overall system and help identify key leverage points of change and transformation.

### TOURISM FEATURES

Tourism is a service sector with a particularly complex product, made up of different constituent resources and which depend on an extremely fragmented supply. Like other services, tourism services are intangible, non-storable, customer-specific nature, overlapping of production and consumption, and sensitivity to relationship and reputation. In general, tourism from the supply side perspective can be seen as a whole range of individuals, businesses, organizations and places which combine in some way to deliver a travel experience (Cooper et al, 1998). Distinctive features shape the demand and supply side (Table 1). In the following sections we will rehearse these features.

#### a. Supply side Features:

In the supply side tourism is characterized by:

**Modularity** – Tourism products and services are made up of different syndicated resources supplied from a large array of suppliers. This characteristic breeds product uniqueness and differentiation from other durable good. Delivering the product means coordinating and assembling different parts of the whole problem solving process for the client. This attribute provides for the sector major opportunities and potentialities for innovation as modularity allows disaggregation and re-aggregation of components to create different utilities and idiosyncratic products and services.

**Heterogeneity** - The market structure of the tourism industry is extremely heterogeneous, with many players characterized by different dimensions and economic performances. Tourism also interrelate with many other sectors and activities.

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Table 1. Features shaping tourism demand and supply

<table>
<thead>
<tr>
<th>Supply features</th>
<th>Demand Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modularity</td>
<td>Volatility, Ambiguity, Uncertainty</td>
</tr>
<tr>
<td>Heterogeneity</td>
<td>Experiential</td>
</tr>
<tr>
<td>Information intensive</td>
<td>Global</td>
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<tr>
<td>Fragmentation</td>
<td>Local</td>
</tr>
</tbody>
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